

**Proceedings of Workshop on Education, Labour Market  
and Human Resource Development**

**May 2, 2001**

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**Sigma One Corporation**

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# **Work Shop on Education, Labour Market and Human Resource Development, May 2, 2001**

**Mr. Asamoah Boateng**  
(Office of the President)

Mr. Asamoah set the tone for the workshop by stressing the need for deliberations on the Education, Labour market and human resource development. He introduced the TUC secretary general who he added would be acting as the convener to throw more light on the topic to be discussed at the work group sessions. He stressed that the workshop was to give the Ghanaian the opportunity to participate in the government's programs. He added that the Economic Dialogue is being organised under the Minister for Econ. Planning and Reg. Integration. He noted that the key reason for the National Economic Dialogue was to elicit contributions from the workgroups on specific issues and areas to be discussed at The National Economic Forum.

## **Report on Three Day TUC Workshop on The labour market**

Mr. Kofi Asamoah  
(TUC)  
Convener

Mr Kofi Asamoah gave an overview on a Workshop by the TUC on the labour market for the economic dialogue and gave brief summaries on recommendations on group discussions for four specific areas.

- Employment in Ghana
- Training and Capacity Building
- Formal and Informal sector incomes
- Productivity in both the formal and informal sectors

On employment in Ghana, he stated that there are currently about 8 million people in the labour force. Of this number, 2 million people are either unemployed or underemployed. This he noted forms about 30% of the labour force. He explained that the causes of unemployment are caused by factors such as macro-economic imbalances, privatisation and retrenchment policies and problems of land tenure in the country.

He stated that the groups' recommendations on generating more employment included some short-term measures including rehabilitating government bungalows, cleaning community sanitation, etc. Certain sources of funds proposed for paying salaries of these workers included government levies on imports and producers of plastic canned foods and the DA common fund. He identified the long-term creation of employment as the identification of needs right from the community to the national level (community participatory Assessment) and focussing on the creation of jobs.

He also talked about employment creation in the agricultural sector and noted that the sector is the mainstream of the economy and stated that the paper recommended certain measures to make the sector a vibrant one. This he noted included solving the problem of land tenure to aid acquisition of land for agriculture, reclamation of farming lands, granting of farming equipment to DAs and mobilisation of people into groups to make it easy for them to access inputs, funds and other logistics. He also stressed that the major problem areas for the agricultural sector included, funding, packaging, storage, marketing, technology, training and quality. He intimated that these problems were not peculiar to the sector but also applied to the Urban Informal sector and recommended stopping the wholesale trade liberalisation in the country, support to leading industries, government provision of incentives to the business community to enable them seek the development of industries across the length and breadth of the country. This would help check the mobility of labour from the rural to the urban areas, lead to the establishment of cottage industries and engage women in processing agricultural products and support for existing women groups.

He emphasised that the sustainability of employment was essential and could be achieved by monitoring employment generation as an integral part of the activities of social partners. This he stressed could be done by the TUC exploring the possibility of directly or indirectly establishing an employment agency, the government conducting employment impact assessment on projects or policy they may want to implement, awareness and through research and development by stakeholders such as the government, TUC and other institution (such as Ministries,) Labour advisory Committee, DAs etc.

On productivity some of the key issues and recommendations were made from different perspectives. On the side of labour it was identified that there was the need for positive change in worker attitude. The union in collaboration with management should intensify worker education on ethics and procedures to avert unnecessary industrial impose and strikes and equitable productivity gain sharing. Union and management should continue education by organising workshops and seminars on laid down grievance procedures and the danger to life and property due to non-adherence. On the part of management it was recommended that there should be shared visions and goals objectives. On the part of the government it was encouraged to ensure productivity and fix realistic national minimum wages and collective bargaining agreements.

The groups noticed that low productivity, waste, and efficiency contributed toward low incomes in Ghana. The group recommended that to address productivity there was the need to solve inequality in incomes by solving expatriate versus Ghanaian incomes, Ghanaian versus Ghanaian (the case where Ghanaians employed in Ghana but seconded to donor

sponsored projects are paid higher than their Ghanaian counterparts), Public versus Private and Public versus Public. Also improving income levels by stabilising the macro environment, less borrowing from the central bank among others.

He stated the groups recommendations on capacity building including the establishment of a national occupational standards board, for the government through the Ministry of Manpower and Development to make available a data base as basis for skills audit, advocacy and awareness and a national policy for capacity building to be operationalised at both the National and Sectoral organisational levels.

## **DISCUSSION GROUP I**

### **Financing Education in Ghana**

Paper by Prof. Djangmah

The main issues for discussion emanated from a paper presented by Professor J.S. Djangmah on *Education Finance and Human Resource Development in Ghana: Suggestions for the New Government*.

The discussion centred on enrolment in schools, quality of education, the constitutional requirement of free compulsory basic education for all, and financing of education in Ghana.

Prof. Djangmah tabled the following for discussion as some of the ways to finance education in Ghana;

- Developing an Educational Industry
- Definition of new roles for Ghana Education Service (GES) and Ministry of Education (MoE) within the concept of decentralization, by making the District Assemblies fully responsible for education within their districts
- Independent and efficient management of the Ghana Education Trust Fund
- Distance education / UG Workers college programme.

The group identified issues plaguing the development of education as shortage and caliber of teachers, pre-school education, quality and content of national curriculum, and the involvement of civil society organisations and non-governmental organisations in a collaborative effort with the District Assemblies and other partners to finance the education.

### **Recommendations and Action Plans**

#### ***1. Develop Education Industry***

***Ensure private sector participation in the production & distribution of textbooks and “all” educational materials.***

To this end, it was recommended that

- GES & MoE be restructured to redefine their roles to cover training of teachers, curriculum development, certification, inspection and the use of technology to enable development of education, develop policy and professional standards as well as provision of an enabling environment for development of education, by the private sector.
- The role of the District Assemblies in education should be redefined to make them more active in educational development and financing at the district level including the provision of infrastructure and the payment of teachers, instead of concentration on politics.
- Involve civil society, Parent Teacher Associations, Churches and other organisations in the mobilization of resources at the district level for educational development and financing.

## ***2. Significantly improve basic education for all***

Basic education should begin with pre-school as this forms the basis for the development of the child and his /her capability to understand and grasp the issues at school, as well as form the foundation for future learning. This has a gender dimension, as it would free mothers to engage in some form of employment. Specific recommendations included those below:

- The process of National curriculum development, maintenance and implementation should be free from politics
- A demand driven curriculum required to bridge the gap and to ensure relevance to the needs of the public and private sectors.
- Establish total cost of meeting constitutional requirement of “**Free Basic Education**” thus defining the gap which needs to be acted on.
- Clearly define free education to include non discrimination, equity and differential access to make it accessible to those who most need it
- The pre-school should focus on
  - Focus on teaching language and gender issues
  - Should be the primary investment of the District Assembly

## **3. Financing Education**

***Funding for Education should be from various sources, and should include:***

- ***The Education Fund,***
- ***The establishment of an indirect educational levy (at 1.5% of incomes within both the formal and informal sectors),***
- ***Traditional Authorities and District Assemblies raising funds jointly,***
- ***NGOs, Religious Bodies and Civil Society Organisations assisting with funding education,***

- *Corporate Bodies funding research at the tertiary level,*
- *The commercialisation of research work, and*
- *The establishment of Educational Insurance to fund education in Ghana.*

Specific recommendations centred on the following;

- 60% of Education Fund should be used for basic education
- Work towards fulfilling constitutional mandate to progressively work towards providing free education
- Education funding at the District level should include a percentage contribution from each District Assemblies Common Fund
- District Assemblies to contact private organisations within the District to assist with funding pre-school education.
- Encourage the private sector to be involved in education through tax rebates.

## **DISCUSSION GROUP II**

### **Labour Market and Human Resource Development**

*Dr. Kwabia Boateng*

A paper was presented on the Labour Market and Human Resource Development in Ghana by Dr. Kwabia Boateng, a Labour Economist from the Department of Economics, University of Ghana. The workshop was designed to gather opinions from key stakeholders of the Ghanaian Economy on pertinent issues that hinder the growth of the National Economy. Issues and recommendations identified will be presented for debate during the National Economic Dialogue that will be held on the 14 – 15 May 2001.

Dr. Boateng gave a brief introduction to the “Labour Market” as one that covers all the institutional arrangements which directly facilitate the exchange of labour services in the economy which guides and influences the labour market. He explained that the labour market is central to the issues of economic growth and productivity; wealth creation and poverty; and inflation and unemployment.

A summary of the structure and performance of the Labour Market using 1998/1999 figures derived from the Ghana Statistical Services indicated that paid employment in the formal sector declined by 3.7% during the period between 1991/92 and 1998/99. The private formal employment was the highest paid and made the highest gain in terms of earning during that same period under review. In the private sector, there appear to be fewer direct production workers (middle or semi-professional class workers) but more clerical/ secretarial/ sales workers at the bottom and more management workers at the top.

The performance of the Ghanaian Labour Market can be summarized to include the following:

- Worsening income security – as a combination of declining stable jobs and declining real earnings for majority of the labour force who appear to be largely immobile;
- The earnings gap between gainers and losers have widened;
- The prosperous sectors (in terms of incomes) have smaller capacities to absorb labour;
- Increasing non-salary-related causes of industrial disputes which imply a fundamental problem with structures and or interpretation of collective bargaining agreements or with the industrial relations system as a whole.

The presenter stressed on the fact that human capital is a crucial factor in any economy accounting for over 60% of the growth of some developed economies. Human capital formation covers activities including formal and informal education and training; formation of attitudes, and health promotion. A World Bank finding reported that human capital formation affects not only growth but also the types of jobs business can create and hence the long-term possibilities for reducing poverty and achieving middle income status.

Below are the five key recommendations made at the workshop.

RECOMMENDATION	TIME FRAME
• Increase Income Security	Short-term
• Improve Labour Absorption	Medium-term
• Improve Skills and Mobility	Medium-term
• Organise Labour Relations	Medium-term
• Improve Labour Productivity	Medium-term

## Recommendations & Action Plans

RECOMMENDATION	RESPONSIBILITY	MEASURE
<b>1. Improve Income Security (Job Opportunities)</b>		
Access to business information	MOTI/ CSIR	Number of startups
Cocoa Spraying	GOG	Acreage covered
Sanitation (Community)	Private Sector/ Community	Clean Environment
Reforestation	Forestry Department/ Acreage covered	Number of trees planted
Estate Development	GREDA/ Artisans	GOG Number of housing startups
Food Production (Processing)	MOFA	Reduction of Post



Traditional Farming	MOFA/DA/ Traditional Authorities/ NGO's	Harvest losses  Reduction in poverty incidence
<b>2. Improve Labour Absorption Capacity</b>		
Strengthen the Export Sector (Direct support in Accessing Markets and Land)	MOTI/ Export Promotion Council	NTE
Push and Pull between the formal and informal sectors (formalized linkages between small and large scale)	MOTI/ AGI/ Chamber of Commerce	Increased contact between informal sub contraction
Land Tenure Reform – Serious negotiations between Government, the land owners and the District Assemblies	Lands Commission	Reduced number of land disputes
<b>3. Improve Skills &amp; Mobility</b>		
Bring Public Sector, Private Sector and tertiary institutions together	All Sectors	Number of contacts between sectors and tertiary
Proper focusing of student loans – redirect to needy students. Devise screening process to identify needy students at District Levels	GOG/ Student Loans Company	
National Service Scheme Refocusing	Student Loans Company GOG	Post Service Rate
<b>4. Organise Labour Relations</b>		
Institutionalisation of tripartite dialogue at all levels (Convention 144)	TUC/ GOG/ Employers Association	Reduction in industrial disputes
Promote of bipartite dialogue	TUC/ GOG/ Employers Association	Reduction in industrial disputes
Promote structures of participation	TUC/ GOG/ Employers Association	Reduction in industrial disputes
<b>5. Improve Labour Productivity</b>		
Implement National Productivity Movement Programme (A copy of which can be obtained form MDPI)	MOMD/ Employment	Establishment of Productivity movement.

## DISCUSSION GROUP III

## Health Care Financing

*Paper by Mr. Daniel Mensah*

Discussions of the workshop developed on the basis of the presentation stressed the need to put in place a mechanism for financing healthcare delivery that would effectively cater for the entire spectrum of the population of Ghana.

In reviewing the current health care delivery system, it was noted that the government on its own accounted for 70% of health care delivery. This is seriously hampered by inadequate funding, which has also resulted in infrastructure and equipment being in a state of overwhelming disrepair.

In order to arrive at alternatives to health care finance a description of the current system was given to help bring out the challenging issues of the health system. These issues included:

- Inconvenience of the cash and carry system as a result of generally low income levels
- Number of limited access to health care services
- Poor quality of service provided
- Inadequate funding of health services
- Inefficient allocations of resources
- Poor community, intersection and private sector linkages

A comparison of health care delivery in other countries was made and it showed that majority of countries with efficient health care systems thrived on efficient health insurance schemes. It was recommended as an opportunity to be reviewed thoroughly since it has the potential to cover a wide scope of financing.

In arriving at key recommendations for adopting health insurance, which by definition is a method of providing members of a defined group or community with protection against the cost of medical care, the following were considered:

- Design features of a health insurance scheme
- Types of Health insurance schemes
- Enabling conditions for the establishment of a National Health insurance scheme
- The demographic configurations of the population

## Recommendations and Action Plans

Summarised below are the key goals and corresponding action plans that resulted from the workshop discussion.

1. ***Replace the cash and carry system with a Multi-Fund Health Insurance Scheme that reflects the demographic configuration of the Ghanaian population – Formal sector employees; Urban informal***

***sector; Rural informal sector; Pensioners; Cocoa and other farmers; the poor elderly, disadvantaged and destitute.***

- Government to establish a special independent institution (e.g. National Health Insurance Organisation) to help develop and promote the informal sector.
- The following health insurance schemes to be established:
  - ◆ Government Employee Health Insurance Fund
  - ◆ Cocoa farmers/ COCOBOD Health Insurance Scheme
  - ◆ Non-Profit Health Maintenance Organisation
  - ◆ Community Financed Health Insurance Scheme
  - ◆ Pensioners Health Insurance Fund
  - ◆ Medical Aid Scheme
- Pilot schemes should be set up at targeted areas for no more than 1 year for evaluation and

***2. Establish a Central Health Fund to ensure a healthy balance between such goals as solidarity and equity on one hand, and financial sustainability on the other hand.***

- The fund should be set up within 3 months of the establishment of the recommended National Health Insurance Organisation which will over see the promotion of the initiative.
- Options for sources of funding for the CHF, should consider raising funds from VAT, health tax on tobacco, insurance companies, the banks and voluntary donations

***3. Other uninsured/ self-insured who have the ability to pay a fee-for-service basis should be able to enjoy quality healthcare services at an affordable cost.***